

The Honorable Thomas S. Zilly

UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WASHINGTON  
AT TACOMA

BRIAN GASPAR, an individual,

Plaintiff,

V.

TURN TECHNOLOGIES, INC., a Delaware Corporation, and RAHIER RAHMAN, and his marital community,

## Defendants.

Case No. 2:23-cv-01274-TSZ

**DEFENDANTS' REPLY IN SUPPORT  
OF ITS MOTION TO DISMISS FIRST  
AMENDED COMPLAINT**

Note on Motion Calendar:  
Friday, November 10, 2023

## TABLE OF CONTENTS

	<b>PAGE</b>
I. INTRODUCTION .....	1
II. ARGUMENT .....	1
A. Plaintiff is Required to Plead Specific Facts Meeting the Elements of His Claims. ....	1
B. Plaintiff Fails To Show That The FAC Alleges A Violation Of The FCRA.....	2
1. Plaintiff has not, and cannot, plausibly allege Turn procured a background report on him from a third-party CRA. ....	2
2. Plaintiff has not, and cannot, plead a negligent or willful violation. ....	3
a. The FAC's allegations do not support a negligent violation. ....	3
b. Plaintiff fails to rebut the argument that he does not allege willfulness.....	4
C. Plaintiff Fails To Show That The FAC Alleges A Violation Of The WFCRA. ....	5
D. Plaintiff Does Not Allege Wrongful Discharge As A Whistleblower.....	6
E. It Is Unrefuted The Alleged Agreements Lack Mutual Assent To Essential Terms. ....	9
F. Plaintiff Does Not Rebut The Grounds For Dismissing His Statutory Wage Claims .....	10
III. CONCLUSION.....	12

## TABLE OF AUTHORITIES

2		Page(s)
3	<b>Federal Cases</b>	
4	<i>Abbink v. Experian Info. Sols., Inc.</i> , No. SACV191257, 2019 WL 6838705 (C.D. Cal. Sept. 20, 2019).....	3, 4, 5
5		
6	<i>Ashcroft v. Iqbal</i> , 556 U.S. 662 (2009).....	2
7		
8	<i>Bassett v. ABM Parking Servs., Inc.</i> , 883 F.3d 776 (9th Cir. 2018) .....	4
9		
10	<i>Bedeski v. Boeing Co.</i> , No. C14-1157RSL, 2014 WL 6452420 (W.D. Wash. Nov. 14, 2014).....	11
11		
12	<i>Bell Atl. Corp. v. Twombly</i> , 550 U.S. 544 (2007).....	2
13		
14	<i>Blackman v. Omak Sch. Dist.</i> , No. 2:18-CV-0338-TOR, 2019 WL 2396569 (E.D. Wash. June 6, 2019) .....	8
15		
16	<i>Bye v. Augmenix, Inc.</i> , No. C18-1279-JCC, 2018 WL 5619029 (W.D. Wash. Oct. 30, 2018).....	7
17		
18	<i>Coulombe v. Total Renal Care Holdings, Inc.</i> , No. C06-504, 2007 WL 1367601 (W.D. Wash. May 4, 2007), <i>aff'd</i> , 298 F.	
19	App'x 617 (9th Cir. 2008) .....	11
20		
21	<i>Dice v. City of Grand Coulee</i> , 2012 WL 4793718 (E.D. Wash. Oct. 9, 2012) .....	11
22		
23	<i>Frame-Wilson v. Amazon.com, Inc.</i> , 591 F. Supp. 3d 975 (W.D. Wash. 2022).....	1
24		
25	<i>Gladstone Tech., Partners, LLC v. Dahl</i> 222 F. Supp. 3d 432 (E.D. Pa. 2016) .....	11
26		
27	<i>Johnson v. New Bern Transp. Corp.</i> , No. 18-CV-01232, 2020 WL 6736861 (W.D.N.Y. Nov. 17, 2020) .....	5
28		
29	<i>Justice v. Rockwell Collins, Inc.</i> , 117 F.Supp.3d 1119 (D. Or. 2015), <i>aff'd</i> , 720 F. App'x 365 (9th Cir. 2017) .....	2
30		

1	<i>Mattiaccio v. DHA Grp., Inc.</i> , 87 F. Supp. 3d 169 (D.D.C. 2015) .....	5
2		
3	<i>In re Maxim Integrated Prod., Inc.</i> , No. C06-0334JW, 2007 WL 2745805 (N.D. Cal. July 25, 2007) .....	9
4		
5	<i>McDermott v. Potter</i> , No. C13-2011-MJP, 2014 WL 4635444 (W.D. Wash. Sept. 11, 2014), <i>aff'd</i> (Aug. 10, 2015) .....	12
6		
7	<i>Mighell v. Sonic Foundry, Inc.</i> , No. 2:00-cv-01319-RSL, Dkt. No. 80 (W.D. Wash. Mar. 6, 2002) .....	11
8		
9	<i>Nayab v. Cap. One Bank (USA), N.A.</i> , 942 F.3d 480 .....	4
10		
11	<i>O'Brien v. Microsoft Corp.</i> , No. 2:19-CV-01625-RAJ, 2020 WL 4734325 (W.D. Wash. Aug. 14, 2020) .....	10
12		
13	<i>Patel v. Facebook, Inc.</i> , 932 F.3d 1264 (9th Cir. 2019) .....	4
14		
15	<i>Roth v. CNR Prod., Inc.</i> , No. 20-CV-00256-BJR, 2020 WL 2334144 (W.D. Wash. May 11, 2020) .....	9
16		
17	<i>Rubio-Delgado v. Aerotek, Inc.</i> , No. 13-cv-3105, 2015 WL 3623627 (N.D. Cal. June 10, 2015) .....	2
18		
19	<i>Somers v. Apple, Inc.</i> , 729 F.3d 953 (9th Cir. 2013) .....	1
20		
21	<i>Swain v. CACH, LLC</i> , 699 F.Supp.2d 1109 (N.D. Cal. 2009) .....	2
22		
23	<i>Syed v. M-I, LLC</i> , 853 F.3d 492 (9th Cir. 2017) .....	4,5
24		
25	<i>Weinstein v. Katapult Grp., Inc.</i> , No. 21-CV-05175-PJH, 2022 WL 137633 (N.D. Cal. Jan. 14, 2022) .....	9
26		

1 **State Cases**

2	<i>Bott v. Rockwell Int'l,</i>	7
3	80 Wn. App. 326 (1996) .....	
4	<i>Briggs v. Nova Servs.,</i>	7
5	166 Wn.2d 794 (2009) .....	
6	<i>Dicomes v. State,</i>	7
7	113 Wn.2d 612 (1989) .....	
8	<i>Farnam v. CRISTA Ministries,</i>	8
9	116 Wn.2d 659 (1991) .....	
10	<i>Handlin v. On-Site Manager Inc.,</i>	6
11	187 Wn. App. 841 (2015) .....	
12	<i>Karstetter v. King Cnty. Corr. Guild,</i>	8
13	193 Wn.2d 672 (2019) .....	
14	<i>Keystone Land &amp; Dev. Co. v. Xerox Corp.,</i>	9, 10
15	152 Wn.2d 171 (2004) .....	
16	<i>Schachter v. Citigroup, Inc.,</i>	11
17	218 P.3d 262 (Cal. 2009) .....	
18	<i>Schilling v. Radio Holdings, Inc.,</i>	10, 11
19	136 Wn.2d 152 (1998) .....	

17 **Federal Statutes**

18	15 U.S.C. § 1681b(b)(3)(A) .....	4
19	FCRA, WFCRA and New York's Fair Chance Act .....	7

20 **State Statutes**

21	RCW 19.182.005 <i>et seq.</i> .....	6
22	RCW 19.182.020(2)(d) .....	6
23	RCW 49.48 .....	1, 10, 11
24	RCW 49.48.010 .....	11
25	RCW 49.48.082(10) .....	11

1	RCW 49.52 .....	1, 10, 11
2	RCW 49.52.070 .....	11
3	2006 Wash. Legis. Serv. Chapter 89.....	11

4 **Other Authorities**

5	FTC Informal Staff Opinion Letter, Empl. Prac. Guide ¶ 5483 .....	2
6	<u><a href="https://www.ftc.gov/business-guidance/resources/what-employment-background-screening-companies-need-know-about-fair-credit-reporting-act">https://www.ftc.gov/business-guidance/resources/what-employment-background-</a></u>	
7	<u><a href="https://www.ftc.gov/business-guidance/resources/what-employment-background-screening-companies-need-know-about-fair-credit-reporting-act">screening-companies-need-know-about-fair-credit-reporting-act</a></u> .....	-3

## I. INTRODUCTION

Defendants' Motion outlined the many reasons the FAC fails to allege facts—as opposed to legal conclusions—that plausibly support his claims. Plaintiff's Response fails to refute those arguments and instead demonstrates a fundamental misunderstanding of his pleading obligations and the substantive law underlying his claims.

Plaintiff's FCRA and WFCRA claims fail because, among other reasons, the FAC's factual allegations do not plausibly support an inference that Defendants procured a background report on Plaintiff from a third-party CRA. Setting aside the FAC's legal conclusions, its factual allegations suggest that, if anything, Turn permissibly performed its own internal investigation. Plaintiff's wrongful discharge claim fails because he does not allege facts that plausibly show the conduct he reported violated the letter or policy of any law or that he acted reasonably or for the public good. Unable to show that he alleges these requisite facts, Plaintiff incorrectly insists that he is not required to. Defendants established in their Motion that Plaintiff has not alleged the existence of a binding contract to pay him a bonus or stock share; Plaintiff fails to rebut either argument persuasively. Finally, Plaintiff fails to address most of the multiple grounds for dismissal of his claims under RCW 49.52 and RCW 49.48. Each of Plaintiff's claims is defective, and amendment is futile.

## II. ARGUMENT

**A. Plaintiff is Required to Plead Specific Facts Meeting the Elements of His Claims.**

Plaintiff falsely asserts he “does not need to state facts supporting every element of his case in the Complaint.” Resp. 9. The law is clear: it is the plaintiff’s burden to plausibly allege **facts** that, taken as true, satisfy **each element** required to state a given claim. *See, e.g., Frame-Wilson v. Amazon.com, Inc.*, 591 F. Supp. 3d 975, 994 n.3 (W.D. Wash. 2022). “Plausibility requires pleading facts, as opposed to conclusory allegations or the ‘formulaic recitation of elements of a cause of action.’” *Somers v. Apple, Inc.*, 729 F.3d 953, 959 (9th Cir. 2013) (quoting *Bell Atl. Corp.*

1 *v. Twombly*, 550 U.S. 544, 555 (2007)).<sup>1</sup> Legal conclusions “are not entitled to the assumption of  
 2 truth.” *Ashcroft v. Iqbal*, 556 U.S. 662, 664 (2009). The FAC fails to satisfy the pleading standard  
 3 that *Twombly* and *Iqbal* require.

4 **B. Plaintiff Fails To Show That The FAC Alleges A Violation Of The FCRA.**

5 Defendants’ initial brief showed that the FAC does not adequately plead a violation of  
 6 section 1681b(b)(2)(A) because it does not plausibly allege (1) that Defendants “procured” a  
 7 consumer report from a third-party CRA, or (2) a negligent or willful violation. Mot. 5-12. The  
 8 Response misapprehends the difference between factual allegations and legal conclusions and  
 9 mischaracterizes case law. Resp. 15-17.

10 **1. Plaintiff has not, and cannot, plausibly allege Turn procured a  
 11 background report on him from a third-party CRA.**

12 Plaintiff does not dispute, and thus concedes,<sup>2</sup> that section 1681(b)(2)(A) applies only to  
 13 “employers who are procuring a privately run background check upon applicants or employees”  
 14 from a third-party CRA, *Rubio-Delgado v. Aerotek, Inc.*, No. 13-cv-3105, 2015 WL 3623627, at  
 15 \*1 (N.D. Cal. June 10, 2015), not employers performing their own internal investigation. *See* FTC  
 16 Informal Staff Opinion Letter, Empl. Prac. Guide ¶ 5483. Plaintiff instead argues that the Court  
 17 must accept his conclusory allegation that Turn procures consumer reports from “third-party  
 18 venders” (FAC ¶ 15) that are CRAs (*id.* ¶¶ 36-37). *See* Resp. 17. But whether a person meets the  
 19 statutory definition of a CRA is a legal conclusion not entitled to any assumption of truth. *Iqbal*,  
 20 556 U.S. at 664; *cf. Swain v. CACH, LLC*, 699 F.Supp.2d 1109, 1112–13 (N.D. Cal. 2009)  
 21 (“Plaintiff has merely alleged the legal conclusion that all Defendants are debt collectors without

22

23 <sup>1</sup> Plaintiff misreads the holding in *Twombly*. The cited section explained that the Supreme Court’s holding—that a Plaintiff must allege facts necessary to state a plausible claim—did not run counter to its prior holding that an employment discrimination plaintiff is not required to “allege ‘specific facts’ *beyond* those necessary to state his claim.” *Twombly*, 560 U.S. at 570 (emphasis added).

24

25 <sup>2</sup>See *Justice v. Rockwell Collins, Inc.*, 117 F.Supp.3d 1119, 1134 (D. Or. 2015), *aff’d*, 720 F. App’x 365 (9th Cir. 2017) (“[I]f a party fails to counter an argument that the opposing party makes ... the court may treat that argument as conceded.”).

1 providing any supporting facts.”). The alleged facts support the conclusion that the “venders” are  
 2 data furnishers, not CRAs. Mot. 7-8.

3 Plaintiff concedes that Turn is an “employment screening” company (FAC ¶ 15), and  
 4 regulators have confirmed that these companies are CRAs when they prepare background reports  
 5 for third-party end-users.<sup>3</sup> Plaintiff does not dispute that CRAs obtain information from data  
 6 sources, referred to as “furnishers,” when the CRAs prepare reports for third parties. Mot. 7-8.  
 7 Plaintiff’s allegation that Turn contracts with “venders” to perform “criminal, employment, and  
 8 motor vehicle checks” (FAC ¶ 31) must be viewed in light of Plaintiff’s concessions. Given the  
 9 admitted nature of Turn’s business as a CRA, and that Plaintiff has not pled any other facts about  
 10 these “venders,” the only *plausible* inference from the *facts pled* is that these “venders” are  
 11 furnishers under the FCRA, not CRAs preparing “consumer reports” for Turn. Plaintiff’s failure  
 12 to plausibly plead that Turn procured a consumer report on Plaintiff rather than using its own  
 13 resources to conduct its own investigation is fatal to his FCRA claim.

14 **2. Plaintiff has not, and cannot, plead a negligent or willful violation.**

15 **a. The FAC’s allegations do not support a negligent violation.**

16 Defendants’ Motion established that the FAC fails to state a negligent FCRA violation for  
 17 two independent reasons: (1) it lacks allegations that Defendant possessed a negligent mental state;  
 18 and (2) it lacks allegations that Plaintiff sustained actual damages as required. Mot. 9-10.

19 Regarding the first ground, a “complaint must allege specific facts as to the defendant’s  
 20 mental state.” *Abbink v. Experian Info. Sols., Inc.*, No. SACV191257, 2019 WL 6838705, at \*5  
 21 (C.D. Cal. Sept. 20, 2019). The FAC is devoid of factual allegations that Turn acted negligently in  
 22 allegedly running a background check on Plaintiff. The Response fails to address this argument  
 23 (see Resp. 17-18) and thus concedes the FAC is deficient. *Supra* at n.2.

24 Regarding the second ground, Plaintiff argues a violation of the FCRA is a “concrete injury

25  
 26 <sup>3</sup> See <https://www.ftc.gov/business-guidance/resources/what-employment-background-screening-companies-need-know-about-fair-credit-reporting-act>.

1 by itself since it violates substantive rights.” Resp. 17. But the cases Plaintiff cites concern whether  
2 a bare violation of the FCRA is a sufficient concrete injury to confer Article III standing—not  
3 whether it constitutes actual damages. *Patel v. Facebook, Inc.*, 932 F.3d 1264, 1267 (9th Cir. 2019)  
4 (considering whether a plaintiff alleged a “concrete injury-in-fact for purposes of Article III  
5 standing”); *Bassett v. ABM Parking Servs.*, Inc., 883 F.3d 776, 783 (9th Cir. 2018) (same); *Nayab  
6 v. Cap. One Bank (USA), N.A.*, 942 F.3d 480. 493 (9th Cir. 2019) (same). Indeed, in *Syed v. M-I,  
7 LLC*, a case that Plaintiff cites twice to support his erroneous point, the Ninth Circuit recognized  
8 that the plaintiff “would have required proof of actual harm” to seek “actual damages” for a  
9 violation of the FCRA, even though he “established Article III standing.” 853 F.3d 492, 498-99  
10 (9th Cir. 2017).

11 Nor does the allegation that Defendants “deprived him of his consumer report” plead actual  
12 damages. Resp. 18. An employer must provide an employee a copy of a background report only if  
13 it is taking an “adverse action” against him. 15 U.S.C. § 1681b(b)(3)(A). Far from alleging an  
14 adverse action, Plaintiff alleges Turn promoted him after running a background check. FAC ¶¶ 21,  
15 48. Furthermore, the FAC does not allege that Defendants violated the FCRA by depriving him of  
16 his background report (see FAC ¶¶ 1-92), and Plaintiff “may not amend his pleading via his  
17 response brief.” *O’Brien v. Microsoft Corp.*, No. 2:19-CV-01625-RAJ, 2020 WL 4734325, at \*3  
18 (W.D. Wash. Aug. 14, 2020).

b. Plaintiff fails to rebut the argument that he does not allege willfulness.

21 Plaintiff argues that he alleged willfulness by pleading that “Defendants procured  
22 consumer reports on Plaintiff from CRAs” without disclosure or authorization. Resp. 16. But these  
23 allegations say nothing about whether Turn *knew* it was violating the FCRA or acting *recklessly*.  
24 Plaintiff must allege facts supporting an inference that Turn’s reading of the FCRA as allowing it  
25 to do a background check using the described “venders” without Plaintiff’s consent was  
26 “objectively unreasonable.” *Abbink*, 2019 WL 6838705, at \*6. The FAC does not contain any such

1 allegations and is thus defective.<sup>4</sup>

2 Next, Plaintiff hyperbolically argues that the FAC alleged willfulness by claiming Turn  
 3 violated the FCRA “multiple times.” Resp. 17. Each case Plaintiff cites features systematic and  
 4 repeated FCRA violations. *See Johnson v. New Bern Transp. Corp.*, No. 18-CV-01232, 2020 WL  
 5 6736861 (W.D.N.Y. Nov. 17, 2020) (noting “systematic” violations); *Williams v. Telespectrum, Inc.*, No. 3:05CV853, 2006 WL 7067107 (E.D. Va. Nov. 7, 2006) (noting the “repetitiveness or  
 6 multiplicity of [the defendant’s] conduct”); *Mattiaccio v. DHA Grp., Inc.*, 87 F. Supp. 3d 169, 183  
 7 (D.D.C. 2015) (noting a “systemic disregard for FCRA compliance”). The FAC’s allegations that  
 8 Defendants ran background checks on *two* employees in violation of a single section of the FCRA  
 9 (FAC ¶¶ 48, 55) are nothing like these cases.

10 Plaintiff also relies heavily on *Syed*, claiming that the decision is the “most relevant binding  
 11 authority.” Resp. 16. But *Syed* supports Defendants’ position. The Ninth Circuit held that §  
 12 1681b(b)(2)(A) “unambiguously bars [the defendant’s] interpretation” of the law as permitting  
 13 “the inclusion of a liability waiver in the statutorily mandated disclosure document.” 853 F.3d at  
 14 504-05. Thus, despite a “dearth of guidance” on the liability waiver issue, the defendant ran an  
 15 “unjustifiably high risk of violating the statute,” such that its FCRA violation was willful. *Id.* at  
 16 506. Here, in contrast, there is no shortage of guidance on the issue of whether Defendants were  
 17 required to provide notice or consent to Plaintiff: the statutory language, ample case law, and FTC  
 18 guidance *support* Defendants’ reading that the FCRA does not apply when an employer conducts  
 19 its own internal investigation. Mot. 6-7. Defendants’ reading is reasonable, and Plaintiff has not  
 20 alleged willfulness as a matter of law.

21 **C. Plaintiff Fails To Show That The FAC Alleges A Violation Of The WFCRA.**

22 Defendants’ Motion established that Plaintiff’s WFCRA claim is deficient for two separate  
 23 reasons: (1) the WFCRA is inapplicable because Defendants did not procure a background report

24  
 25 <sup>4</sup> Plaintiff does not attempt to rely on other conclusory allegations such as “employment practices  
 26 complained of in the above paragraphs were intentional” (FAC ¶ 87), and Defendants “willfully  
 and recklessly violated the FCRA.” *Id.* ¶ 77 (see also Resp. at 15-17).

1 from a third-party CRA (as explained on pages 2-4, *supra*); and (2) Plaintiff has not alleged the  
 2 requisite elements of injury and causation. Mot. 13-14.<sup>5</sup>

3 Plaintiff argues that the FAC “established injury because consumer reports are a form of  
 4 property under the CPA” and Defendants withheld “Plaintiff’s consumer reports.” Resp. 19. But  
 5 the WFCRA does not require a person to provide a background report to a consumer. *See* RCW  
 6 19.182.020(2)(d). This fact also distinguishes the one case Plaintiff relies upon, *Handlin v. On-*  
 7 *Site Manager Inc.*, 187 Wn. App. 841 (2015). While *Handlin* found that the plaintiffs stated an  
 8 injury to property by alleging that the defendant delayed “the disclosure of [] requested  
 9 information” in its files, the WFCRA required the defendant to provide written disclosures on  
 10 request. *Id.* at 845-851 (citing, *e.g.*, RCW 19.182.070 (requiring that a “consumer reporting agency  
 11 shall, upon request by the consumer, clearly and accurately disclose \*\*\* [a]ll information in the  
 12 file on the consumer”)). But, again, the WFCRA contains **no** requirement that Defendants provide  
 13 Plaintiff his consumer report. *See* RCW 19.182.005 *et seq.* Nor does the FAC allege that Plaintiff  
 14 requested any information from Defendants. *See* FAC ¶¶ 1-92.

15 **D. Plaintiff Does Not Allege Wrongful Discharge As A Whistleblower.**

16 Defendants’ Motion established that Plaintiff’s wrongful discharge claim fails for multiple  
 17 independent reasons. The claim based on reporting alleged illegal activity fails because: (1)  
 18 Plaintiff’s actions were unreasonable, given the degree of alleged wrongdoing; (2) the FAC does  
 19 not allege facts supporting a plausible inference that Plaintiff was acting for the public good; and  
 20 (3) the facts alleged do not support a plausible inference that the reported conduct violated the  
 21 letter or policy of any law or regulation. *Id.* at 17-20. Plaintiff’s arguments in response are  
 22 disjointed and plainly wrong. *See* Resp. 11-15.

23 Plaintiff advocates for a broad application of the wrongful discharge tort, faulting  
 24 Defendants for attempting to “narrow [its] scope.” Resp. 13. But the Washington Supreme Court  
 25

---

26<sup>5</sup> The FAC did not plead that Defendants failed to “provide written notice that a consumer report  
 may be used for employment purpose.” *Compare* Resp. at 18, with FAC ¶ 83.

1 has “always made clear that the tort of wrongful discharge … is a narrow exception to this  
 2 employment at-will doctrine” that should be “applied cautiously.” *Briggs v. Nova Servs.*, 166  
 3 Wn.2d 794, 801-02 (2009).

4 Plaintiff also repeatedly mischaracterizes or misconstrues what he must allege to state a  
 5 claim for wrongful discharge.<sup>6</sup>

6 **First**, Plaintiff argues that “there is no requirement [he] allege an actual violation of the  
 7 law” to state a whistleblower claim. Resp. at 11. This is false. In *Bye v. Augmenix, Inc.*, the court  
 8 dismissed a wrongful discharge claim at the pleading stage because it did not “contain any  
 9 allegations explaining how the misconduct Plaintiff reported violated the **letter or policy of a  
 10 specific law or regulation.**” No. C18-1279-JCC, 2018 WL 5619029 (W.D. Wash. Oct. 30, 2018)  
 11 (emphasis added); *see also Bott v. Rockwell Int'l*, 80 Wn. App. 326, 335 (1996) (same). In reaching  
 12 its decision, just like Defendants, the court cited *Dicomes v. State*, 113 Wn.2d 612 (1989) for the  
 13 basic elements necessary to allege a whistleblower claim. *Id.* Plaintiff’s attempts (*see* Resp. 12) to  
 14 discredit *Dicomes*’s precedential value because of its procedural posture are ineffective.

15 Plaintiff’s backup argument that the FAC **does** “allege[] that Defendants violated both the  
 16 letter and policy” of the FCRA, WFCRA and New York’s Fair Chance Act (Resp. 11) does not  
 17 save his claim.<sup>7</sup> Plaintiff fails to allege a violation of the FCRA or WFCRA for the reasons  
 18 discussed above and in Defendants’ Motion. *Supra* at 2-6. Nor has Plaintiff alleged a violation of  
 19 the local New York ordinance for the uncontested reasons outlined in Defendants’ Motion (at 19).  
 20 Plaintiff’s wrongful discharge claim is subject to dismissal for these reasons alone.

21  
 22 <sup>6</sup> While the FAC attempts to allege a wrongful discharge claim based on two distinct actions:  
 23 investigating and reporting alleged illegal conduct (FAC ¶ 80), Plaintiff now contends that both  
 24 actions fall under a single whistleblowing claim. Resp. 13. The claim based on Plaintiff’s alleged  
 25 investigation fails regardless—because Plaintiff cannot satisfy the “Perritt” test, Mot. 15-17, an  
 26 argument the Response (at 13) effectively concedes (*supra* at n.2), or for the same reasons the  
 claim based on reporting fails.

<sup>7</sup> Plaintiff apparently concedes that he does not state a claim based on supposed violations of the  
 smattering of other laws referenced in the FAC (e.g., HIPAA), as the Response fails to mention  
 them or address Defendants’ arguments for why they are inapplicable. *See* Mot. 16; *supra* n.2.

1        **Second**, Plaintiff incorrectly argues that a “‘level of wrongdoing’ analysis... does not exist  
 2 under the law.” Resp. at 12. In “determining if a discharged employee may *state a tort claim* for  
 3 wrongful discharge” under the whistleblower exception, “the court examines ‘the degree of alleged  
 4 employer wrongdoing, together with the reasonableness of the manner in which the employee  
 5 reported, or attempted to remedy, the alleged misconduct.’” *Farnam v. CRISTA Ministries*, 116  
 6 Wn.2d 659, 668-69 (1991) (quoting *Dicomes*, 113 Wn.2d at 619) (emphasis added). Plaintiff  
 7 investigating and reporting an alleged FCRA violation to Turn’s board was unreasonable as a  
 8 matter of law for the reasons explained in Defendants’ Motion. Mot. 18-19.

9        **Third**, Plaintiff argues that he is not required to allege that Plaintiff acted in furtherance of  
 10 the public good. Resp. at 12. Again, Plaintiff is wrong. “To *state a cause of action*” under the  
 11 whistleblower exception, a plaintiff “must have been seeking to ‘further the public good, and not  
 12 merely private or proprietary interests.’” *Farnam*, 116 Wn.2d at 671 (quoting *Dicomes*, 113 Wn.2d  
 13 at 620).<sup>8</sup> Plaintiff alleges that he reported just “two non-consented” background reports, including  
 14 one on himself (FAC ¶¶ 48, 55), and only *after* he became upset Rahman was supposedly  
 15 bypassing him with instructions. *Id.* ¶ 61. Even assuming the conduct reported *was* a violation of  
 16 the FCRA or WFCRA (it is not), Plaintiff’s investigation and reporting of a background check  
 17 supposedly run on one person other than himself at the very most *remotely* benefitted the public.  
 18 And viewing the allegations as a whole, the facts suggest that Plaintiff was merely seeking to  
 19 further his own interests. That is insufficient to support a whistleblowing claim. *Farnam*, 116  
 20 Wn.2d at 671.

21        Finally, no binding authority supports holding Rahman individually liable. To support  
 22 individual liability, Plaintiff cites only the nonbinding case *Blackman v. Omak Sch. Dist.*, No. 2:18-  
 23 CV-0338-TOR, 2019 WL 2396569, at \*4 (E.D. Wash. June 6, 2019). That case is unpersuasive  
 24 and reflects a minority view. *See* Mot. at 20 (collecting cases in other jurisdictions).

25        <sup>8</sup> Plaintiff’s reliance on *Karstetter v. King Cnty. Corr. Guild*, 193 Wn.2d 672 (2019) is misplaced.  
 26 The court simply found that the plaintiff adequately plead “subjective intent to further the public  
 good” under Washington’s more relaxed pleading standard. *Id.* at 685-86.

1       **E. It Is Unrefuted The Alleged Agreements Lack Mutual Assent To Essential**  
 2       **Terms.**

3       Plaintiff does not dispute that he asserts no breach of contract claims against Rahman. *See*  
 4       FAC ¶ 2. The FAC does not sufficiently allege any breach of contract claim against Turn, either,  
 5       because it does not allege facts supporting mutual assent to the necessary essential terms of the  
 6       supposed oral agreements. Mot. at 21-23.

7       In response to the point that Plaintiff fails to allege mutual assent to the essential terms of  
 8       a stock grant agreement, Plaintiff argues that “[w]hether or not the stock was common is  
 9       immaterial”—without citing *any* supporting authority or attempting to distinguish Defendants’  
 10       cited authority confirming that the “class of stock” *is* an essential term of a stock grant agreement,  
 11       *see Weinstein v. Katapult Grp., Inc.*, No. 21-CV-05175-PJH, 2022 WL 137633, at \*3 (N.D. Cal.  
 12       Jan. 14, 2022). Resp. at 20. Moreover, Plaintiff pleaded himself out of court by alleging that Turn  
 13       “already allocated” him stock shares. FAC ¶ 28. If true, and accepting the meaning Plaintiff  
 14       accords “allocation,”<sup>9</sup> Turn has *fulfilled* its purported contractual obligation. And, tellingly,  
 15       Plaintiff entirely glosses over his inability to keep his story straight: after alleging in the original  
 16       complaint that Turn offered him a 3.5% stock *option*, Plaintiff is suddenly adamant that  
 17       Defendants actually agreed to grant him 3.5% stock “immediately” in July 2022. FAC ¶ 23. This  
 18       unexplained about-face only serves to underscore that there was no mutual assent to the essential  
 19       terms of a stock grant.

20       Plaintiff also fails to allege facts supporting any contractual obligation to pay him the  
 21       alleged bonus. FAC ¶¶ 22-30. Plaintiff’s attempts to distinguish *Roth* and *Keystone* on their facts  
 22       do not change the legal principles demonstrated by their holdings: a contract claim fails if a

23       

---

  
 24       <sup>9</sup> Plaintiff is confusing concepts. The term “allocation” typically refers to stock options in the  
 25       context of an employee stock option plan, which will vest in the future, at which point the  
 26       employee can exercise the options to buy shares of company stock. *E.g., In re Maxim Integrated*  
*Prod., Inc.*, No. C06-0334JW, 2007 WL 2745805, at \*1 (N.D. Cal. July 25, 2007) (“shareholders  
 have approved a series of stock option plans, each of which provides for the allocation of stock  
 options”). The term is not generally used to describe the outright transfer of stock.

1 material term is lacking or the terms are indefinite. *Roth v. CNR Prod., Inc.*, No. 20-CV-00256-  
 2 BJR, 2020 WL 2334144, at \*3 (W.D. Wash. May 11, 2020), and *Keystone Land & Dev. Co. v.*  
 3 *Xerox Corp.*, 152 Wn.2d 171, 177-78 (2004). The supposed bonus agreement is both lacking a  
 4 material term and indefinite because, as alleged, there was no agreement as to whether Plaintiff  
 5 had to remain employed at the time Turn acquired additional investor funding.<sup>10</sup>

6 The Response also improperly purports to insert two new claims—a claim for promissory  
 7 estoppel and a claim for breach of a written agreement to provide Plaintiff a \$65,000 raise upon  
 8 the closing of Series A. Resp. 20, 21. Both claims fail because they appear nowhere in the FAC.  
 9 *O'Brien*, 2020 WL 4734325, at \*3.<sup>11</sup>

10 **F. Plaintiff Does Not Rebut The Grounds For Dismissing His Statutory Wage  
 11 Claims**

12 Plaintiff attempted to allege claims for lost wages under RCW 49.52 and RCW 49.48. FAC  
 13 ¶¶ 74, 86. Defendants' Motion highlighted **seven** separate reasons the FAC does not adequately  
 14 allege these claims. Mot. 23-25. Plaintiff does not address most of Defendants' arguments or  
 15 differentiate between his wage withholding claims. *See* Resp. 21-22. And the arguments he does  
 16 make are unavailing.

17 First, Plaintiff does not dispute that the FAC fails to allege Defendants willfully withheld  
 18 a bonus or stock. *See* Resp. 21-22. Nor does he explain how the FAC could plausibly do so, given  
 19 there is clearly a "bona fide" dispute as to "whether all or a portion of the wages must be paid."  
 20 *Schilling v. Radio Holdings, Inc.*, 136 Wn.2d 152, 161 (1998). Instead, Plaintiff cites *Schilling* for  
 21 the proposition that "[a] wrongful discharge should be analogized to a willful act." Resp. 21.  
 22 *Schilling* neither supports this assertion nor advances Plaintiff's claims. *Schilling* considered if an

23 <sup>10</sup> Plaintiff's theory that he would not "receive two promotions and added responsibility without  
 24 some sort of compensation" (Resp. at 21) does not make his allegations any more plausible.  
 25 Plaintiff says nothing of his salary, or the fact that stock options and conditional bonuses are  
 26 benefits, even if they do not automatically create a binding contractual obligation.

<sup>11</sup> Although the FAC references the \$65,000 raise, it does not allege any associated breach. *See*  
 Mot. 3.

1 “employer who fails to pay an employee’s back wages, because of alleged financial inability to do  
 2 so, willfully withhold such wages.” *Id.* at 154. In discussing this issue, the court confirmed that  
 3 “[t]he critical determination in a case under RCW 49.52.070 … is whether the employer’s failure  
 4 to pay wages was ‘willful.’” *Id.* at 159. Plaintiff’s claim under RCW 49.52 cannot survive  
 5 dismissal due to the FAC’s failure to allege willfulness.

6 None of the three cases Plaintiff cites for his argument that “[s]tock is a form of wages”  
 7 support his position. *Id.* at 22. In holding that “shares due … constituted wages,” the unpublished  
 8 decision in *Mighell v. Sonic Foundry, Inc.*, No. 2:00-cv-01319-RSL, Dkt. No. 80, at 11 (W.D.  
 9 Wash. Mar. 6, 2002), noted that RCW 49.48 “does not include a definition of wages.” *Id.* Since  
 10 then, in 2006, the Legislature added a definition of “wages” to RCW 49.48: “compensation due to  
 11 an employee … payable in legal tender.” RCW 49.48.082(10); 2006 Wash. Legis. Serv. Ch. 89.  
 12 Stock does not “qualify as wages payable in legal tender.” *Coulombe v. Total Renal Care Holdings,*  
 13 *Inc.*, No. C06-504, 2007 WL 1367601, \*7 n. 8 (W.D. Wash. May 4, 2007), *aff’d*, 298 F. App’x  
 14 617 (9th Cir. 2008). *Gladstone Tech., Partners, LLC v. Dahl* 222 F. Supp. 3d 432, 439 (E.D. Pa.  
 15 2016) does not address whether stock is considered wages under RCW 49.48. And *Schachter v.*  
 16 *Citigroup, Inc.*, 218 P.3d 262, 268 (Cal. 2009) merely notes in *dicta* that “shares of restricted stock  
 17 … constituted a wage” under California’s wage statute.

18 Plaintiff makes three other erroneous points. *First*, he says he is “owed wages” due to his  
 19 alleged wrongful discharge. Resp. 22. However, “a wrongfully-terminated employee may not  
 20 recover lost wages” under RCW 49.52, *Bedeski v. Boeing Co.*, No. C14-1157RSL, 2014 WL  
 21 6452420, at \*6 (W.D. Wash. Nov. 14, 2014), given that the statute “applies only when an employer  
 22 has a pre-existing duty under contract or statute to pay a specific compensation,” *Dice v. City of*  
 23 *Grand Coulee*, 2012 WL 4793718, at \*8 (E.D. Wash. Oct. 9, 2012) (citing RCW 49.52.050).  
 24 Similarly, RCW 49.48 only covers “wages due” “[w]hen any employee shall cease to work for an  
 25 employer.” RCW 49.48.010. *Second*, Plaintiff claims that “RCW 49.48 is the basis of attorney’s  
 26 fees under a wrongful discharge.” Resp. 22. But merely seeking attorney’s fees fails to allege a

1 violation of RCW 49.48. *Third*, Plaintiff claims the FAC “pled that he is owed the bonus when he  
2 took the job.” Resp. 22. This is simply untrue: the “bonus was to be paid upon additional funding”  
3 allegedly obtained after Plaintiff’s termination. *See* FAC ¶¶ 25, 69, 73.

4 Plaintiff has not alleged a violation of the wage withholding statutes.

5 **III. CONCLUSION**

6 For the reasons stated here and in the initial brief, Defendants respectfully request that the  
7 Court dismiss the FAC in its entirety and with prejudice. Plaintiff had a chance to cure the  
8 deficiencies in his pleading, and it is plain those defects cannot “be cured with additional  
9 allegations that are consistent with the challenged pleading and that do not contradict the  
10 allegations in the original complaint.” *McDermott v. Potter*, No. C13-2011-MJP, 2014 WL  
11 4635444, at \*4 (W.D. Wash. Sept. 11, 2014), *aff’d* (Aug. 10, 2015) (quotation marks and citation  
12 omitted).

13 **LCR 7(e)(2) CERTIFICATION**

14 I certify that the foregoing memorandum contains 4,197 words in compliance with the Local  
15 Civil Rules.

16 Dated this 13<sup>th</sup> day of November, 2023.

17 LITTLER MENDELSON, P.C.

18  
19 /s/ Alyesha Asghar Dotson  
Alyesha Asghar Dotson, WSBA #55122  
aasghar@littler.com  
Jordan Wada, WSBA #54937  
jwada@littler.com  
One Union Square  
600 University Street, Suite 3200  
Seattle, WA 98101.3122  
Telephone: 206.623.3300  
Facsimile: 206.447.6965

20  
21  
22  
23  
24  
25  
26  
*Attorneys for Defendant*  
*Turn Technologies, Inc.*

McNAUL EBEL NAWROT & HELGREN  
PLLC

/s/ Anna F. Cavnar  
(via email authorization)  
Anna F. Cavnar, WSBA No. 54413  
600 University Street, Suite 2700  
Seattle, Washington 98101  
Phone: (206) 467-1816  
Fax: (206) 624-5128  
Email: [acavnar@mcnaul.com](mailto:acavnar@mcnaul.com)

1  
2 MAYER BROWN LLP  
3

4 /s/Charles E. Harris, II  
5 (via email authorization)  
6 Charles E. Harris, II, admitted *pro hac vice*  
7 71 South Wacker Drive  
8 Chicago, Illinois 60606-4637  
9 Tel: (312) 782-0600  
10 Email: [charris@mayerbrown.com](mailto:charris@mayerbrown.com)  
11 Elisabeth M. Anderson, admitted *pro hac*  
12 vice  
13 333 S. Grand Ave 47th Floor  
14 Los Angeles, California 90071  
15 Tel: (213) 229-9500  
16 Email: [eanderson@mayerbrown.com](mailto:eanderson@mayerbrown.com)

17 *Attorneys for Defendants*  
18 *Turn Technologies, Inc., and Rahier*  
19 *Rahman*

**CERTIFICATE OF SERVICE**

I am a resident of the State of Washington, over the age of eighteen years, and not a party to the within action. My business address is One Union Square, 600 University Street, Suite 3200, Seattle, WA 98101. I hereby certify that on November 13, 2023, I electronically filed the foregoing document titled ***Defendants' Reply In Support of Motion to Dismiss First Amended Complaint*** with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to the following CM/ECF system participants:

**Plaintiff's Counsel of Record**

Michael J. Mohan, WSBA #54449  
Scott Crispin Greco Blankenship,  
WSBA #21431  
BLANKENSHIP LAW FIRM, PLLC  
1000 Second Avenue, Suite 3250  
Seattle, Washington 98104  
Tel: 206.735.3646  
Tel: 206.343.8700  
[mmohan@blankenshiplawfirm.com](mailto:mmohan@blankenshiplawfirm.com)  
[sblankenship@blankenshiplawfirm.com](mailto:sblankenship@blankenshiplawfirm.com)

### **Defendants' Co-Counsel**

Anna F. Cavnar, WSBA #54413  
Kyle C. Hansen, WSBA #59688  
McNAUL EBEL NAWROT & HELGREN  
PLLC  
600 University Street, Suite 2700  
Seattle, Washington 98101  
Tel: 206.467.1816  
Fax: 206.624.5128  
[acavnar@mcnaul.com](mailto:acavnar@mcnaul.com)  
[khansen@mcnaul.com](mailto:khansen@mcnaul.com)

Charles E. Harris, II, admitted *pro hac vice*  
MAYER BROWN LLP  
71 South Wacker Drive  
Chicago, Illinois 60606-4637  
Tel: 312.782.0600  
[charris@mayerbrown.com](mailto:charris@mayerbrown.com)

Elisabeth M. Anderson, admitted *pro hac vice*  
MAYER BROWN LLP  
333 Grand Ave 47<sup>th</sup> Floor  
Los Angeles, California 90071  
Tel: 213.229.9500  
eanderson@mayerbrown.com

I certify under penalty of perjury under the laws of the United States and of the State of Washington that the foregoing is true and correct. Dated this 13<sup>th</sup> day of November, 2023.

/s/ Noemi Villegas

Noemi Villegas, Legal Secretary  
NVillegasDiaz@littler.com  
**LITTLER MENDELSON, P.C.**

4889-3773-3776.1 / 122775-1001